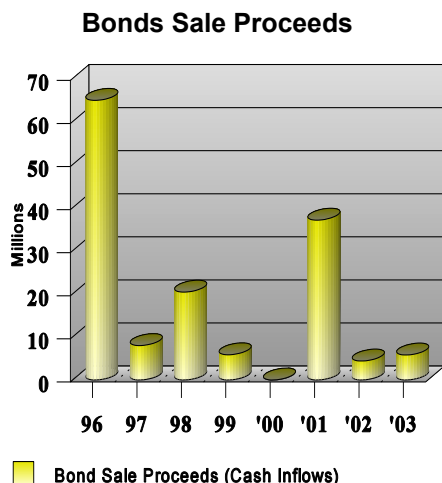


Debt Summary

The County's outstanding debt, which includes general obligation (G.O.) bonds, Public Works Trust Fund loans, and Revenue Bonds totals \$142.7 million on January 1, 2003.



Overview

Clark County periodically issues debt to finance large capital projects. These purchases may involve the purchase of land, the construction of buildings or other improvements, or the development of a major system. The graph to the left shows the actual amount of bonds issued from 1996 through 2002, and proceeds expected in 2003.

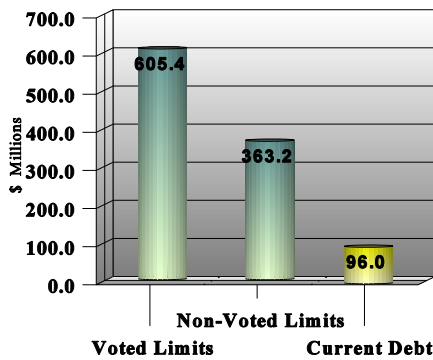
The table (below) shows the amount of debt outstanding at the beginning of the year, anticipated debt retirement and new planned debt, and the projected debt position of the County on December 31, 2004, the end of the current biennium. Debt is categorized according to the project or purchase for which it was incurred.

Outstanding Debt, 1-1-03 to 12-31-04 (Thousands)				
	Jan-01 Balance	Retired Debt	New Debt	Dec-02 Balance
General Obligation Debt				
Fairgrounds Land Purchase	1,269	826	-	443
Solid Waste Administration	1,100	385	-	715
Sanitary Wastewater Construction	421	274	-	147
Parks	1,660	245	-	1,415
Courthouse Remodel	644	419	-	225
Jail Remodel	486	316	-	170
Conservation Futures Projects	15,555	1,840	-	13,715
Special Detention	8,650	890	-	7,760
800 MHz Communication System	7,280	2,510	-	4,770
CRCA Building (911 Tax)	2,870	710	-	2,160
Juvenile Expansion	8,745	775	-	7,970
Campus Development	37,090	50	-	37,040
Treasurer Remittance Processor	75	75	-	-
Community Development Remodel	-	-	3,000	3,000
CAD/800 Mhz System Replacement	-	-	2,800	2,800
General Equipment	70	-	-	70
Fire/Safety Facility	2,715	210	-	2,505
Tri-Mountain Golf Course	7,490	370	-	7,120
Total General Obligation Debt	96,120	9,895	5,800	92,025
Other Debt				
Sanitary Wastewater Loans	2,421	574	-	1,847
Sanitary Wastewater Revenue	39,745	4,410	-	35,335
Roads-PWTF Loans	4,385	645	-	3,740
Railroad Loans	80	27	-	53
Total Other Debt	46,631	5,656	-	40,975
Total County Debt	142,751	15,551	5,800	133,000

As shown in the table, the total amount of outstanding debt is expected to decrease \$15.6 million during the 2003/2004 biennium. General obligation debt will be reduced \$9.9 million, while debt used to finance the Sanitary Wastewater expansion project will be reduced by \$5.7 million

The 2003/2004 revenue forecast assumes that no new debt will be issued during the biennium, however, it is likely that the Board of County Commissioners will approve the issuance of \$5.8 million in general obligation bonds to further remodel Campus Buildings and to upgrade technology for the 911 Center.

Debt Limits and Amount of Outstanding Debt



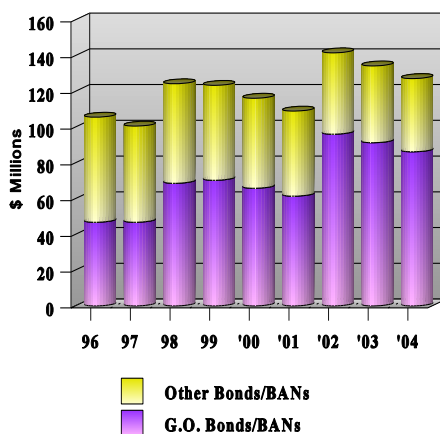
Debt Limit & Carrying Capacity

Washington State law limits the amount of general obligation debt counties may incur. Without an authorizing vote of the citizens, a county may not incur general obligation debt exceeding 1.5 percent of the assessed value of the taxable property within the County. With a vote of its citizens, counties may incur general obligation debt up to 2.5 percent of its assessed taxable value. These limits apply to net general obligation debt, and exclude revenue bonds and other debts not backed by the full taxing authority of the County.

Clark County's assessed taxable value for 2001 is \$24.2 billion, which yields a non-voted debt limit of \$363.2 million and a voted limit of \$605.4 million. The County's existing general obligation debt totals \$96 million as of January 1, 2003, which is well below the non-voted debt limit. As a matter of financial policy, the County has set a goal to maintain debt service costs below 10 percent of external operating revenue. For 2003, debt service will total approximately 9.6 percent of external operating revenues.

The County has used about one-quarter of its non-voted debt limit and debt service costs represent a limited share of total revenues. Overall, the County's debt position is very favorable. The County's bond rating is Moody's Aa3.

Outstanding Principal



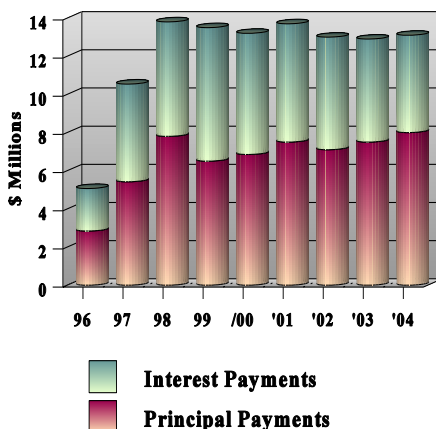
Debt History

Historically, Clark County has maintained a low outstanding principal balance. The County's outstanding principal has increased in the last two years, but is still relatively low.

Clark County's outstanding principal history since 1996 is displayed in the graph to the left. In 1996, total outstanding debt was \$105.6 million. Of that, \$46.8 million was general obligation debt. The 1996 balance included \$13.5 million in general obligation debt issued to pay for the 800 MHz System, \$5 million for the Jail Work Center, and \$46 million in revenue bonds for improvements at the Salmon Creek Wastewater Treatment Plant.

The Tri-Mountain Golf Course acquisition (1997), Juvenile Justice Center expansion (1998) and the bonding of Conservation Futures revenues (1998) resulted in a \$28.3 million increase in outstanding debt. Additional debt of \$9.4 million was issued in 1999 to complete the Jail Work Center, replace the Treasurer's Remittance Processor, Golf Course Equipment, and to construct a joint Fire/Public Safety Complex. In 1999, additional debt was issued for Fairgrounds Public Safety Center Complex (\$3 million) and in 2001, \$37 million for the County Campus Expansion.

Total Debt Payments



Debt Payments

The amount of debt payments scheduled for 2003 and 2004 are \$12.9 million and \$13.1 million, respectively. The County's total annual debt payments since 1996 is displayed in the graph to the left, including the anticipated payments for 2003 and 2004.

Future Debt Plans

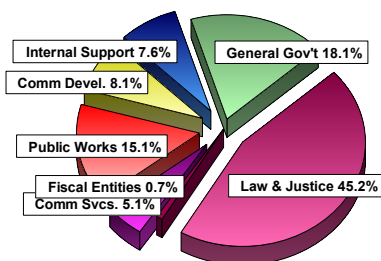
The County is currently reviewing options for remodeling existing office space, and the upgrade of technology for the 911 Center. It is anticipated that additional debt (\$5.8 million) will be issued in 2003 for this work.

Staffing Analysis

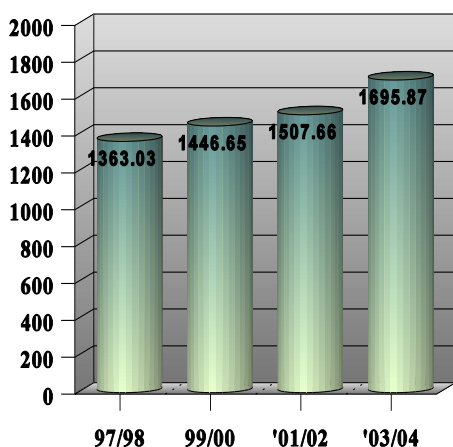
Staffing (FTEs) by Function

Law & Justice	767.25
General Government	306.75
Public Works	256.27
Community Development	138.00
Internal Support	128.60
Community Services	87.00
Fiscal Entities	12.00
Total Staff (FTEs)	1,695.87

Percent of Total Staff by Function



Eight Year Staffing History



This section presents a summary of general staffing trends, including the long-term rate of growth and the sources of this growth. The staffing analysis is included in the Financial Section of the document to acknowledge the clear link between staffing increases and the County's current and future operating budgets. Detailed information about staffing changes within individual departments appear in the Program Section. Finally, data on the staffing of specific departments appear in Appendix 2.

Clark County's 2003/2004 biennial budget includes 1,695.87 full-time equivalent (FTE) staff positions. The table and the pie chart to the left show the allocation of these positions among the seven County functions that contain staff positions. As has been the case for the last five years, about half of all County staff are assigned to the Law & Justice function.

Change in Staffing from 97/98 to 03/04

In the six years from 97/98 to the end of the biennial budget, the total number of budgeted County staff positions have increased by 333 FTE, or about 3.8 percent per year. Without adding the Health Department in 2002, the growth in FTE's was 2.4 percent. The total population of the County grew by approximately 3.3 percent per year over the same period. The growth in total staff is closely related to the growth in total County population because most County programs are regional, meaning that they serve the entire County population. Still other programs provide direct support to the regional programs.

The paragraphs which follow provide a brief overview of departments that have experienced a significant increase in staffing and the reasons for the growth.

Health Department

Increase in Staffing from 97/98-03/04	128.00 FTEs
Percent of Total FTE Increase	38 percent

The Health Department accounts for the bulk of the increase since 97/98. The Health Department was formerly the Southwest Washington Health District governed by a regional board made up of local county and city commissioners and council members. In 2002, the governing board determined that consolidating the services under Clark County would improve service delivery and provide economies of scale. The increase in staffing reflects the change in governance and not actual increase in staffing.

Community Services Group of Departments

Increase in Staffing from 97/98-03/04	44.73 FTEs
Percent of Total FTE Increase	13 percent

Community Services has been very successful in obtaining grant funds for human services programs. Additional positions have been created to administer and track these new and expanded programs. Major areas of increase include Housing Programs and Children's Mental Health programs.

Sheriff Office and County Jail

Increase in Staffing from 97/98-03/04	43.50 FTEs
Percent of Total FTE Increase	13 percent

The Sheriff's Office and Jail account for 13 percent of the total increase in County staff from 97/98 through 2004. These departments are grouped

together for this analysis because, prior to 1997, both were part of the Sheriff's Office.

Contributing factors to the increase in FTEs include: expansion of the jail in 2000, consolidation of City/County records units, additional community service officers for community policing, the addition of fiscal and data management staff, and added para-professional staff in the jail. The later group was added to allow alternate utilization of custody officers. Much of this increase has been financed with the proceeds of the 2/10ths percent sales tax, which is dedicated to law enforcement programs.

Juvenile Services

Increase in Staffing from 97/98-03/04 23.75 FTEs
Percent of Total FTE Increase 7 percent

Nine Juvenile staff positions were added in 1999/2000 to staff the Juvenile Center expansion project, which will increase the capacity of the current facility by 35 percent.

Other increases include the addition of detention staff needed to address growing inmate populations, implementation of the County's Special Intervention Program (SIP), and the addition of several grant-funded community supervision positions.

Community Development

Increase in Staffing from 97/98-03/04 22.50 FTEs
Percent of Total FTE Increase 7 percent

The Community Development department mostly has grown as a result of the State Growth Management Act. Within the department, Long-Range Planning has increased by 16 FTE's and the Building Department added 6 inspectors.

Clean Water Fund

Increase in Staffing from 97/98-03/04 11.50 FTEs
Percent of Total FTE Increase 4 percent

The Clean Water Fund was established during the 99/00 biennium to provide a mechanism to collect, track, and budget revenues and expenditures related to Clark County's adopted Clean Water Ordinance. Staff increases reflect the new program and not pure additions to an existing department.

Other Staffing Increases

Increase in Staffing from 97/98-03/04 58.87 FTEs
Percent of Total FTE Increase 18 percent

Other staffing increases are spread across a number of other departments such as Public Works, Assessor, Superior Court, Clerk, District Court, and Elections.

Staffing Growth by Department from 97/98 to 03/04

<u>Dept. Name</u>	<u>New FTEs</u>	<u>% of Total Increase</u>
Health Dept.	128.00	38%
Comm. Services	44.73	13%
Sheriff/Jail	43.50	13%
Juvenile	23.75	7%
Comm. Develop.	22.50	7%
Clean Water Fund	11.50	4%
Other Depts	58.87	18%
Total Increase	332.85	100.0%